### Idaho Grain Market Report, Nov. 1, 2012

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 31, 2012. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$12.50	(2-R)\$12.60-\$13.00 (6-R) \$12.60	\$8.00	\$8.22	\$8.71
Blackfoot / Pocatello	\$11.87	(2-R) \$13.00 (6-R) \$13.00	\$8.00	\$8.30	\$8.57
Grace / Soda Springs	\$11.95	(2-R) NQ (6-R) NQ	\$8.05	\$8.37	\$8.76
Burley / Rupert Hazelton	\$12.25-\$13.00	(2-R) \$12.60 (6-R) \$12.60	\$7.89-\$7.90	\$8.21	\$8.65
Twin Falls / Eden / Buhl	\$12.50	(2-R) NQ (6-R) NQ	\$8.00	NQ	NQ
Weiser	\$12.50	(2-R) NQ (6-R) NQ	\$7.83	NQ	NQ
Nez Perce / Craigmont	\$11.00	(2-R) \$11.00 (6-R) \$11.00	\$8.14	\$9.34	\$9.65
Lewiston	\$11.25	(2-R) \$11.25 (6-R) \$11.25	\$8.33	\$9.53	\$9.84
Moscow / Genesee	\$11.05-\$12.50	(2-R) \$11.05 (6-R) \$11.05	\$8.10-\$8.90	\$9.30-\$10.00	\$9.61-\$10.36

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Prices at Selected Terminal Markets, cash prices FOB								
	#2 Feed	Single			#1 HRW	#1 DNS		
	46 lbs unit	rail cars-		#1 SWW	11.5% Protein	14% Protein		
Dantland	trains barge	domestic		N= #0 70 #0 00	N	Na., 640 00 640 07		
Portland	NQ	NQ	NQ		Nov \$9.84-\$9.94	Nov \$10.22 - \$10.37		
				Mar \$8.90-\$9.16	Mar \$10.03 ¾ -\$10.13 ¾	Mar \$10.37 ¼-\$10.47		
Los Angeles	\$15.40	NQ	NQ	NQ	NQ	NQ		
Stockton	NQ	NQ	NQ	NQ	NQ	NQ		
Tulare	\$15.40	NQ	NQ	NQ	NQ	NQ		
Ogden	\$12.15	NQ	NQ	\$8.15	\$8.64	\$9.13		
Great Falls	\$8.00-\$12.00	NQ	\$12.50-\$12.	NQ	\$8.22-\$8.55	\$9.00-\$9.22		
Minneapolis	\$11.56	NQ	\$15.10	NQ	\$9.79 (12%)	\$10.02-\$10.17		

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#### Market trends this week

**BARLEY** – Local barley prices were mixed this week, ranging from no change to 10 cents lower in southern Idaho and no change to 25 cents higher reported in northern Idaho. USDA won't release export sales data until Friday due to the closures caused from Hurricane Sandy.

**WHEAT –** Local wheat prices were mostly lower this week: SWW ranged from 25 cents lower to 30 cents higher; HRW ranged from 2 to 52 cents lower; and DNS ranged from 30 cents lower to 6 cents higher.

Wheat Competitor/Buyer News – Reports this week that Ukraine's Ag Minister now says Ukraine WILL NOT ban wheat exports effective November 15 and have in fact increased their wheat export allotment. They reportedly have exported a total of 4.1 MMT of wheat through last week. Russia's SovEcon has lowered its 2012 wheat production estimate from 38 MMT to 37.5 MMT. Iran bought 50 TMT of German wheat this week, while Tunisia purchased 125 TMT of optional origin wheat. Egypt purchased 300 TMT from Romania, France and Russia on Wednesday.

**CORN –** Export sales will be reported on Friday due to government office closures early this week, but the trade expects another lackluster week of export sales (estimated at 225 TMT) due to cheaper supplies available from South American and Ukraine.

**Ethanol corn usage** –DOE's Energy Information Agency reported that U.S. ethanol production showed another surprisingly strong uptick last week to 825,000 bbls per day, up 3.0% from the previous week but down 9.9% from a year ago. Corn used for ethanol last week totaled 86.6 million bu, now nin line with the weekly pace needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

**Corn Competitor/Buyer News** – Buenos Aires Grain Exchanges reports that as much as 20% of acres intended to be planted to corn could shift to soybeans because of rain delayed planting across key parts of Argentina. They were reported to be only 37% planted at the start of the week compared to 55% on average. South Korean feed mills continue to buy South American corn. Egyptian buyers also purchased an estimated 200 TMT of South American corn this week. Brazil reports they exported 3.66 MMT of corn in the month of October compared to 3.15 MMT in September and only 1.52 MMT a year ago.

#### Futures market activity this week

**Macroeconomic news –** China's leading economic index rose this month and their manufacturing index rose above the expansion/contraction level of 50.0 for the first time since July. But the news remains mixed from Europe, with euro-zone unemployment rising to a record 11.6% this month, with Spain's unemployment rate topping 25%.

**U.S. economic news** – Domestic economic news was mostly favorable this week...weekly unemployment claims fell by 9,000 to 363,000, private payroll estimates for October job creation showed a gain of 158,000 jobs, construction spending increased by 0.6% in September compared to a 0.1% decline the previous month, ISM Manufacturing Index expanded in October to 51.7 and the Conference Board reported that U.S. consumer confidence increased from 70.3 to 72.2, the best level since early 2008.

WHEAT – Wheat posted moderate losses to start the week under liquidation pressure triggered by Hurricane Sandy disruptions and extremely poor export shipments. Wheat markets continued to struggle in the face of lackluster trading volume and poor export sales pace, but losses were trimmed by ongoing concerns about Southern Hemisphere wheat crops and persistently dry conditions across much of the HRW wheat belt. Wednesday saw prices turn moderately higher with spillover support from beans and corn. Wheat markets finished modestly higher again today (Thursday), with support from a relatively poor crop condition rating for US winter wheat crop (40% good/excellent versus 46% last year and 61% for 20-year average). Gains were limited by a stronger dollar and weakness in corn. Wheat market closes on Thursday, 11/01/12 ...

	Dec 2012	Weekly Summary	<u>Mar 2013</u>	Weekly Summary
Chicago	\$8.68 1/2	Up \$0.04 ¾	\$8.83 1/4	Up \$0.04 ¾
Kansas City	\$9.08 1/2	Down \$0.00 3/4	\$9.23 1/2	Up \$0.00 ¼
Minneapolis DNS	\$9.43 1/4	Up \$0.03 ¼	\$ 9.49	Up \$0.05

CORN – Corn traded both sides of unchanged on Monday in very thin volume trade as equity markets closed due to disruptions from Hurricane Sandy bearing down on the mid-Atlantic coast. Pressure also was felt from double digit losses in soybeans sparked by a broad fund liquidation. Corn market closed double digits higher on Wednesday, with support from ideas that Southern Hemisphere corn crops face difficult planting conditions and as much as 20% of Argentina's acreage could shift to beans. Corn posted modest losses today (Thursday) in choppy lower trade that was dominated by concerns about sluggish demand. Losses continued to be limited, however, about worries about difficult planting conditions in key areas of Brazil and Argentina. Dec 2012 corn futures contract closed Thursday, 11/01/12, at \$7.51, up \$0.13 ¼ and the Mar 2013 contact closed at \$7.53 ½, up \$.13 ¾ for the week.

#### OTHER MAJOR FACTORS TO WATCH -

**CRUDE OIL –** Crude oil prices traded in a narrow range this week, reflecting market nervousness about potential refinery disruptions in the northeast countered by demand concerns as transportation is widely disrupted across the region. Prices traded up \$0.56 to close at \$86.24 on Wednesday with early support from a global equity rally and weakness in the US dollar. DOE's weekly crude oil inventory report was delayed until Thursday, showing bullish crude oil stocks...falling by 2.045 million bbls, compared to an expected increase of 1.8 million bbls; distillates fell by 93,000 bbls, compared to an expected decrease of 1.4 million bbls; and gasoline stocks increased by 935,000, compared to an expected build of 850,000 bbls. **Crude oil prices trended higher in today's session – closing up \$0.85 to \$87.09 – with support from better than expected economic news from both China and the U.S. and the bullish weekly inventory report.** 

#### U.S. WEATHER / CROP WATCH -

Winter wheat – Many areas of the Western Plains remained excessively dry this week. The 6-10 and 8-14 day outlooks showed improved chances of some beneficial precipitation in the latter half of the period.

#### **USDA Crop Progress / Condition Report, October 31, 2012**

					Condition	% last	% last
	% Progress	Previous	Previous	5-Year	% this	week	year
Crop	_	Week	Year	Average	week		-

US winter wheat	88% planted	81%	86%	85%	40%	NA	46%
	63% emerged	49%	64%	67%			
ID winter wheat	98% planted	93%	99%	96%	67%	NA	
	62% emerged	52%	76%	69%			
Corn	91% harvested	87%	74%	60%			

#### INTERNATIONAL WEATHER / CROP WATCH -

- Brazil Heavy rains moved through Southern Brazil, raising concerns about the wheat crop and disrupted corn planting. Meanwhile, conditions remained mostly hot and dry in the Central production regions stressing crops and delaying corn emergence in some areas. Normally the rainy monsoon season is underway in mid-October but that has NOT been the case this year.
- **Argentina** Although drier conditions prevailed for much of this week, conditions remained excessively wet across much of the corn and wheat growing region, causing planting delays and quality concerns.
- Australia Harvest is underway in parts of Queensland and New South Wales and there are reports of quality problems. Meanwhile conditions remained mostly dry in the west where yields are expected to fall significantly from last year.

# Join Us for these 2012/13 Grain Marketing Education Programs...

October 30 webinar recording on 2012/13 Grain Market Outlook & Understanding Technical Trends in Grain Futures can be found at http://connect.cals.uidaho.edu/p47995616/

NEXT WEBINAR – Creating & Fine-tuning a 2012/13 Grain Marketing Plan – presented by Craig Corbett and Carley Garner, commodity broker. Scheduled Nov. 20, 2012 at 3:00 p.m. MST.

Using a case-study eastern Idaho grain farm, we will write a plan in March 2012 – we will describe the marketing tools that seemed most appropriate at that time and explain how to execute them.

Make adjustments to the plan in November 2012 – review what has happened in the market for the past 6 months and explain mid-course adjustments that seem appropriate.

To participate from your own computer, log onto: http://connect.cals.uidaho.edu/barley/

# Basic Grain Marketing Workshops – these live sessions will be held in Rexburg and Pocatello

Dec. 4 - How do grain markets work and what tools are available?

9:00 - 11:00 am at **Rexburg Library** at 73 N Center

2:00 - 4:00 pm at the **Idaho Farm Bureau main office in Pocatello**, 275 Tierra Vista Dr., alongside I-15

## <u>Dec. 5</u> - Developing a 2013 Grain Marketing Plan using cash and hedging tools and technical futures signals

8:00 - 11:00 am at **Rexburg AmericInn**, 1098 Golden Beauty Drive

2:00 - 5:00 pm at Idaho Farm Bureau main office in Pocatello

### Dec. 10 - Making Adjustments to your Grain Marketing Plan in Volatile Grain Markets

8:30 -11:00 am at Rexburg Library at 73 N Center

2:00 - 4:30 pm at the Idaho Farm Bureau main office in Pocatello